Title : Reported anti-national activities of a Private company (Smart Chip Limited) at Daman and Diu causing security threat.

SHRI P.S. GADHAVI (KUTCH): Sir, I would like to draw the attention of the Union Ministry regarding serious security threat appeared in the Union Territory Independent dated August 16-31, 2005.

Sir, the Government of India decided to issue smart cards to different business communities, in order to maintain authenticity. This was intended to stop malpractices prevalent at different levels of various Departments in the country. This Smart Card Company did all the nefarious activities and given so many bogus cards to other institutions. A private company named Smart Chip Limited (SCL) was given the contract to supply smart cards. Initially, the Ministry of Road Transport and Highways want to ensure smoother functioning of the transport department and assure greater security and easier operability for the average consumer issued such cards through SCL. But the project has turned out to be an exercise of massive misuse of the scheme by the company supplying the cards....(*Interruptions*)

MR. CHAIRMAN: Please conclude.

SHRI P.S. GADHAVI : This Company, instead of supplying cards to authentic and genuine persons, is resorting to undercover activities. The company is reported to have issued smart cards to insurgents and anti-social elements. In the border areas of Tripura, Manipur, Nagaland and Arunachal Pradesh smart cards meant for drivers have been issued to Bangladeshis and members of militant groups.

The company also bagged a contract in April, 2004 from the Indian Army through its political contacts in the Centre....(*Interruptions*)

MR. CHAIRMAN: Please conclude. Whenever you make a Special Mention, you should mention it very briefly. You should not read out the whole thing.

SHRI P.S. GADHAVI : Sir, I conclude within a minute. The purpose of the project was to streamline the canteen and grocery management system of Indian Army. The Company also issued cards to fishermen. There is every likelihood that the cards may have been issued to the secret agents of foreign countries like Pakistan's ISI. Because of the company's nexus with some political leaders and top brass in the bureaucracy, the company has been operating throughout the country smoothly. This is a serious threat to our country. The Government of India should take immediate steps to stop all these activities.

Thank you very much.